

1 you, and we appreciate your presence.

2 MR. LoBIONDO: Thank you very much.

3 CHAIRMAN JAMES: We'll now receive the
4 videotape message from Senator Lautenberg.

5 SENATOR LAUTENBERG (via videotape): Good
6 morning.

7 The first thing I'd like to do is thank
8 the Commission for making the State of New Jersey the
9 location of your first field hearing, and I regret
10 that I'm unable to join you today, but I had
11 longstanding plans that interrupted that possibility.

12 However, technology permits me to reach
13 you, and I feel responsibility to get my testimony
14 before you however we can do it.

15 Gaming has an enormous impact on the lives
16 of countless numbers of people in our state, and as a
17 Senator for New Jersey, I represent the tens of
18 thousands of persons employed by the gaming industry,
19 and gaming is an industry that's a major economic force
20 in New Jersey, and its benefits spread far beyond
21 Atlantic City to our entire state.

22 In New Jersey, it's a tightly regulated

1 industry without a hint of scandal. Now, these
2 benefits and the contribution gaming makes to New
3 Jersey's economy and communities should not be
4 contravened against the wishes of the residents of our
5 state. This is not a place for the federal government
6 to step in. New Jersey is doing quite well on its
7 own.

8 In a statewide referendum back in 1976,
9 the residents of New Jersey decided to permit casinos
10 in Atlantic City. With strong majority support, our
11 state constitution was amended to permit gaming. It
12 was a reasoned and democratic decision that reflected
13 the views of our electorate.

14 No one forced New Jerseyians to vote that
15 way. They evaluated the benefits of gaming, and they
16 made their choice, and as I'm sure you're going to
17 hear from other witnesses, 20 years ago Atlantic City
18 was a city not merely on the decline, but a city that
19 most had written off. One of America's beautiful
20 landmarks of the past looked like it was ready to be
21 submerged into the sea.

22 As a result of that referendum, the

1 revenues generated by the gaming industry in Atlantic
2 City have provided literally hundreds of millions of
3 dollars for projects not just in the city, but
4 throughout our state.

5 They helped finance the New Jersey Vietnam
6 veterans' memorial. They built housing. They've
7 renovated day care centers, built a bus terminal and
8 a trauma center. Construction of a world class
9 performing arts center in downtown Newark, which we
10 hope will fuel a renaissance of our largest city, was
11 assisted by gaming related contributions.

12 The casino industry has helped improve the
13 lives of countless of numbers of people living in the
14 immediate area. In Atlantic City, the number of
15 families on welfare, on Aid to Families with Dependant
16 Children, has dropped by about 30 percent since the
17 first casino opened.

18 The casinos have also helped finance
19 programs. It helped troubled youth and has been a
20 valuable source of employment for these young men and
21 women.

22 And I'd like to tell you the story of one

1 young woman. Her name is Tanesha. She was a 19 year
2 old single mother on welfare, and she wanted
3 desperately to break out of her dependency. A program
4 that is called Youth Build, which is funded by the
5 casino industry, helped Tanesha. She got her GED, and
6 then upon graduation she got a job as a marketing
7 representative with one of the casinos and now has
8 been gainfully employed for the past three years.

9 And there are thousands of similar
10 stories. More than \$1 billion from casino property
11 taxes paid since 1978 have lowered the burden on other
12 property owners and supported schools in Atlantic
13 County.

14 Taxes on casino revenues have supported
15 statewide pharmaceutical assistance to the elderly,
16 nursing and boarding home care and assistance with
17 utility bills for senior citizens and persons with
18 disabilities.

19 Gaming is also an important part of our
20 state's success as one of the two top per capita
21 income states in the country. It provides jobs and
22 opportunities for thousands of our citizens.

1 Nationwide casinos provide jobs for over
2 365,000 Americans. In Atlantic County, New Jersey,
3 casinos directly supply one out of three jobs.

4 In 1996, more than 34 million people
5 visited Atlantic City, more than any other city in
6 America.

7 In the past some of our nation's casinos
8 have been tied to organized crime and other problems,
9 but it's unfair to assume as some do that these
10 problems are inevitable. Atlantic City's casinos are
11 the most regulated in the country, perhaps the world,
12 and the history of the last two decades is that, by
13 and large, this regulation works.

14 And I hope you're going to have an
15 opportunity to review how New Jersey regulated gaming
16 in Atlantic City. I have no doubt that you will be
17 impressed by the fairness of these rules and by the
18 professionalism of the regulators.

19 For the vast majority of the millions of
20 Americans who gamble, whether at a casino, at a church
21 bingo game, or through an office pool, gaming has its
22 appeal. It's exciting, and if pursued in moderation,

1 it need not do any harm.

2 However, I understand and I acknowledge
3 that as with many other products and services, some
4 people who gamble do so to an excess, and that can be
5 a very serious problem. We need to continue education
6 and outreach efforts to address the situation.

7 However, for the overwhelming majority of
8 people gaming is a complement to a vacation or the
9 equivalent of going to a movie on a Saturday night.
10 It's recreation, and in the case of Atlantic City the
11 tourism industry is making great efforts to expand and
12 provide attractive convention facilities and
13 opportunities for family vacations.

14 Thank you for permitting me to testify via
15 video and for selecting our state as your first stop.
16 New Jerseyans are very candid. They're going to tell
17 you exactly how they feel about outside effort to
18 eliminate or hamstring a major part of our state's
19 economy.

20 I hope you're going to listen to our
21 citizens, both those inside the Convention Center who
22 are testifying, those in the audience whose livelihood

1 you hold in your hand, and those outside this hall who
2 have organized to express their strong feelings.

3 They're going to tell you that in New
4 Jersey the benefits far outweigh the negatives, and I
5 hope you enjoy your time in our state, and I wish you
6 much success on your fact finding mission.

7 CHAIRMAN JAMES: I would like to offer the
8 Commission's thanks to Senator Lautenberg for going to
9 the extraordinary efforts to have his views brought
10 before this Commission by way of a videotape.

11 It's now my pleasure to introduce our next
12 panel of distinguished speakers, New Jersey Attorney
13 General Peter Verniero, State Assemblyman Kenneth Le
14 Fevre, and Atlantic City Mayor James Whelan, and
15 Atlantic City's City Council President Rosalind
16 Norrell-Nance.

17 On behalf of the Commission, welcome, and
18 we look forward to receiving testimony from you, and
19 I think we'll just go in the order that you all were
20 introduced, and again, thank you for being here this
21 morning.

22 MR. VERNIERO: Thank you very much.